

additional papers 1



Executive Committee

Tue 17 Jan
2017
7.00 pm

Council Chamber
Town Hall
Redditch

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**If you have any queries on this Agenda or any of the decisions taken or wish to exercise any of the above rights of access to information, please contact
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Executive

Committee

Tuesday, 17th January, 2017

7.00 pm

Council Chamber Town Hall

Agenda

Membership:

Cllrs:	Bill Hartnett (Chair)	John Fisher
	Greg Chance (Vice-Chair)	Mark Shurmer
	Juliet Brunner	Yvonne Smith
	Debbie Chance	Pat Witherspoon
	Brandon Clayton	

18. Minutes / Referrals - Overview and Scrutiny Committee, Executive Panels etc.

(Pages 1 - 4)

Kevin Dicks, Chief Executive

To receive and consider any outstanding minutes or referrals from the Overview and Scrutiny Committee, Executive Panels etc. since the last meeting of the Executive Committee, other than as detailed in the items above.



Overview and Scrutiny Committee

Tuesday, 10th January, 2017

MINUTES

Present:

Councillor Jane Potter (Chair), Councillor Gay Hopkins (Vice-Chair) and Councillors Tom Baker-Price, Matthew Dormer, Andrew Fry, Paul Swansborough, Jennifer Wheeler and Nina Wood-Ford

Officers:

Rebecca Dunn, Sue Hanley, Sam Morgan, Liz Tompkin and Deb Poole.

Democratic Services Officers:

J Bayley and A Scarce

MINUTE EXTRACT

59. HOUSING REVENUE ACCOUNT 2017/18 - PRE-SCRUTINY

Officers presented the Housing Revenue Account Budget 2017/18 to 2019/20 report and in so doing highlighted the following:-

- This was an annual report considered by the Executive Committee and full Council. The report only considered those items included in the Housing Revenue Account (HRA).
- The three year budget projections included the 1% rent reduction.
- Over a 30 year period the loss of rental income was estimated at £120.873m.
- The 1% increase gave an average rent on a 52 week basis of £78.63 or £85.18 on a 48 week basis.
- During 2014/15 41 council houses were sold under the right to buy scheme. For the period 1st April 2015 to 1st December 2016 53 houses had been sold.
- The budget and four year forecast assumed 70 right to buys per annum which equated to a rent loss of £0.315m per annum. In total this represented nearly £1.260m rent loss over the four year period.

During consideration of the report Members raised a number of points to which Officers responded. These included:

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Chair

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- The significant decrease in the net cost of services. Officers provided a detailed explanation as to the methodology behind this.
- The provision for bad debts and what actions were taken to reduce or recover these. Officers confirmed that this was reviewed annually and discussed in detail with the Auditors. Bad debts had decreased significantly in recent years.
- The criteria which was used by the Council when purchasing a house on the open market. Officers explained that unless a house was being sourced for a particular family the average purchasing price considered was £130-140,000. Dependent on the property's condition the Council would not wish to spend more than £15,000 in order to bring a house up to the standards required for a local authority property.

Members discussed a number of options in respect of replenishing the Council's house stock and whether consideration had been given to the Council building its own houses as opposed to linking into housing schemes via developers. Officers explained that a number of options would be considered in the future, however the Council was in the process of purchasing nine houses on the open market to ensure the right to buy receipts were allocated in the appropriate timescales. In 2015/16 five properties had been purchased, by the end of 2016/17 it was expected that the Council would have purchased fifteen properties and in 2017/18 Officers were anticipating that the Council would purchase 47 properties. The Housing, Strategic Housing and Planning teams were in discussions to ensure that all options were considered. This included the development of a number of pieces of land which were owned by the local authority and working with a housing association or the Council developing its own properties.

RECOMMENDED that

- 1) the draft 2017/18 Budget for the Housing Revenue Account attached to the report at Appendix A, be approved;**
- 2) the three year budget projections 2017/18 to 2019/20, incorporating the 1% rent reduction be approved;**
- 3) the actual average recent decrease for 2017/18 be 1%; and**

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- 4) that £780,614 be transferred to the capital reserve in 2017/18 to fund the future Capital Programme and / or repay borrowing.

The Meeting commenced at 7.00 pm
and closed at 8.53 pm

